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SUPERMARKET BUSINESS

IN THIS ISSUE:
NONFOODS BUSINESS
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INSTORE BUSINESS: DELI

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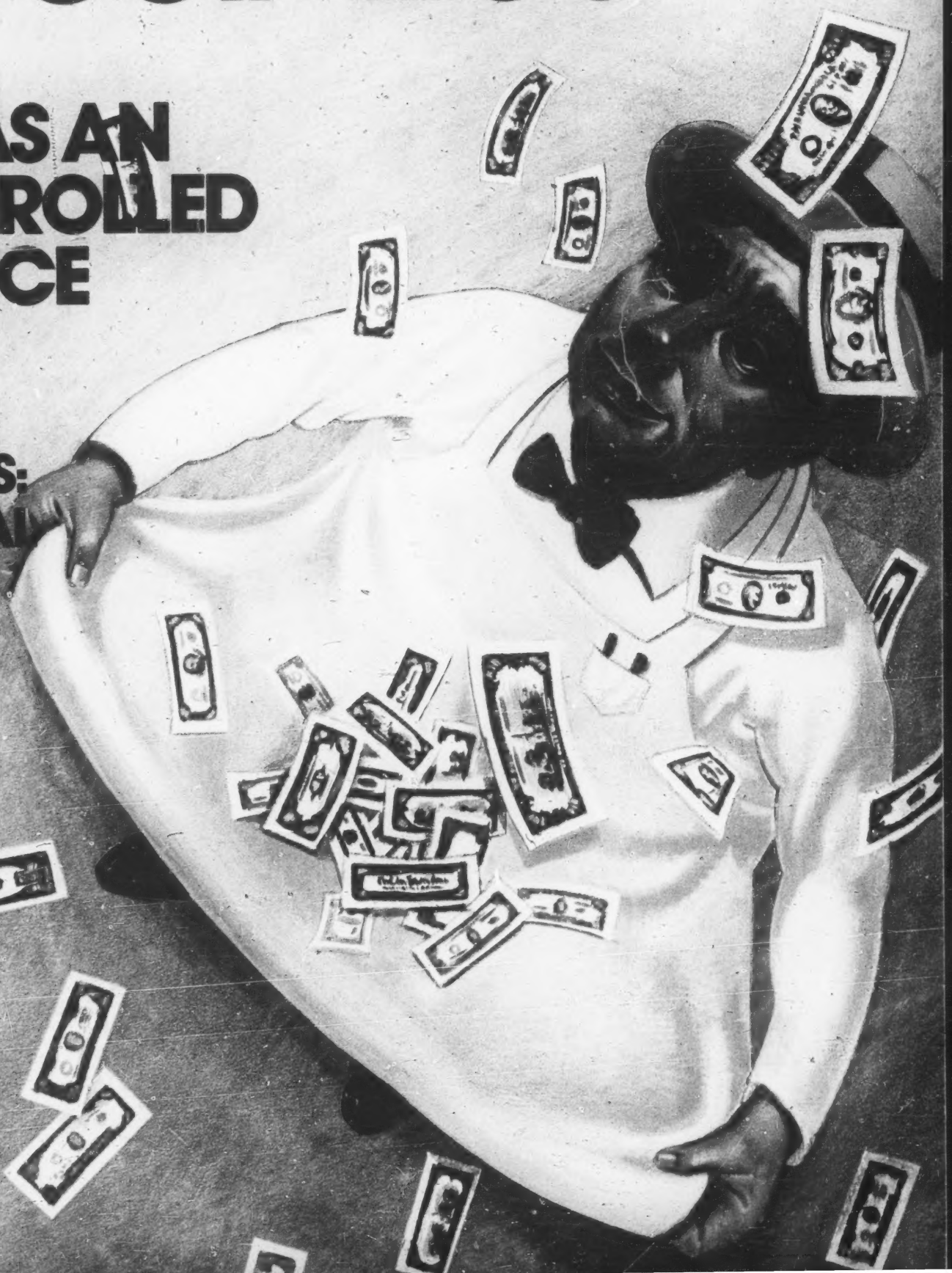
PART ONE
OF TWO PARTS

VOLUME 43/ NUMBER 4
APRIL 1988

MONEY AS AN UNCONTROLLED SUBSTANCE (A SEQUEL)

SERVICE DELIS: SIXTH ANNUAL OPERATIONS REVIEW



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SERVICE DELIS REVIEW

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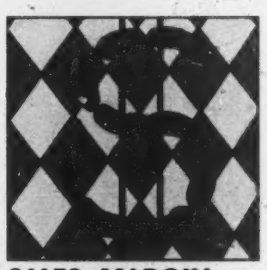

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BY DAVID LITWAK, DIRECTOR OF RESEARCH

Deli operations pose intriguing questions for retailers: How is it that while more and more supermarkets add delis each year, and deli volume continues to set new records, the number of customers who shop the deli remains about the same—one in five? In this Sixth Annual Operations Report of Service Delis, INSTORE BUSINESS chronicles the growth of deli business, establishes the benchmark for deli operations and uncovers some new directions.

The deli still suffers from one nagging problem, how to get more store shoppers to shop the deli. In 1987, only about 19 percent of those shoppers going through the store made a purchase at the deli. This percentage has remained fairly constant for the past two years, but was higher five years ago, when the first INSTORE BUSINESS Annual Operations Review reported that 27 percent of shoppers made deli purchases. The purchases made by those shoppers have been for greater amounts. While the range of dollars spent for each deli transaction is wide, in 1987 roughly a third (32 percent) of all service deli transactions were for four dollars or more, with 12 percent spending over six dollars each time they stop at the deli.

One direction that service delis took last year is not new; when it comes to total deli sales the direction continues to be up. In 1987 supermarket delis had sales of over $7.9 billion, which is a whopping increase of 19.6 percent since 1986 when sales were $6.6 billion.

There are two primary reasons for this phenomenal sales growth. The first is a simple game of numbers, numbers of deli outlets. The number of units increased by about 800 in 1987 to a total of 18,800. While the number of delis was increasing, the number of supermarkets in operation was declining, which now puts a service deli in 61.7 percent of all supermarkets. Coupled with the increase in the number of delis operating was a substantial increase in the weekly sales of each deli unit. On average, a

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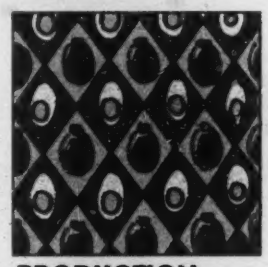

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service deli unit now has weekly sales of slightly over $8,100.

More money from each unit

Need to pick up a quick prepared gourmet dinner on the way home from work? No problem for the average service deli. Looking for an exotic cheese, processed meat or appetizer to impress someone special? Again no problem for the service deli. Cater an intimate dinner party for 40 of your closest friends in four hours? Well, maybe a only slight problem for many supermarket delis. These three "problem" scenarios illustrate why unit sales have increased. The service deli is in the forefront of the supermarket's attempt to attract as much of the consumer food dollar as possible. The three pronged-attack launched by grocery retailers through their delis has pitted the supermarket directly against other food retailers.

The supermarket has traditionally been the place where do-it-yourselfers shopped. If you wanted to fix dinner, or prepare some other meal, you went to the supermarket for the ingredients. The supermarket is still the place to go for ingredients, but with the changing lifestyles and consumer eating habits, the supermarket, and especially the service deli, is getting into prepared foods in a big way. Prepared foods, from entrees to ribs to sandwiches, now account for almost 30 percent of all service deli sales, and have contributed more to the growth of the service deli both in terms of sales and consumer image. In 1987, 60 percent of the service delis offered refrigerated entrees as part of their product mix, and 54 percent offered hot foods. The implication of these trends is that the supermarket is in the fast-food business, and the take-out food business, where an increasing portion of America's food dollar is going.

Another element of the growth equation is variety. No longer does the deli offer five types of cheese, and ten cuts of processed meats, or only the "big three" prepared salads. The

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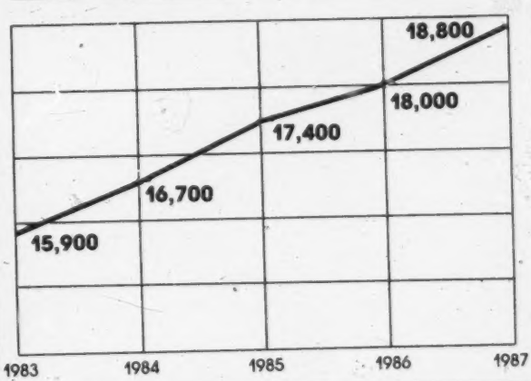
DELI/CENSUS

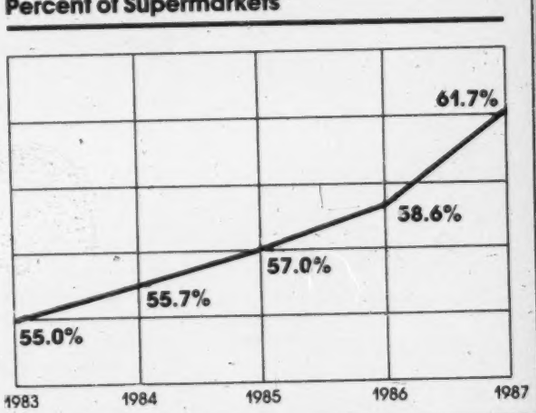
Service deli sales were on the rise again in 1987 topping $7.92 billion. The sales increase of 19.6 percent underscores the fact that retailer commitment to the department has been rewarded by continued consumer support.

The 19.6 percent increase in service deli sales last year reflects the growth in importance of the department to the industry. With the addition of 800 new delis in 1987, there are now deli units in almost 62 percent of all supermarkets. Aside from putting in delis as a method of competing with neighboring supermarkets, many grocery retailers are using their delis as a focal point in their efforts to get a bigger share of the food dollar at the expense of restaurants, caterers, and specialty food shops. The result is an average weekly sales figure of $8,104, which is an increase of 14.6 percent.

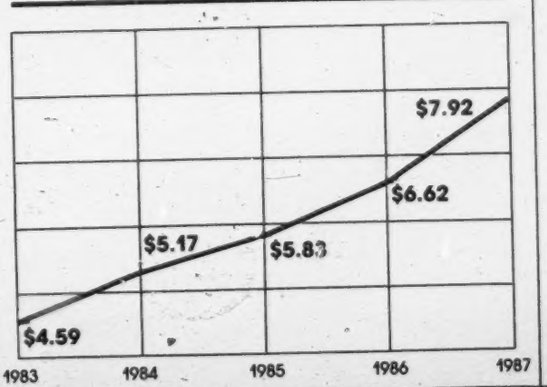
Service Deli Units



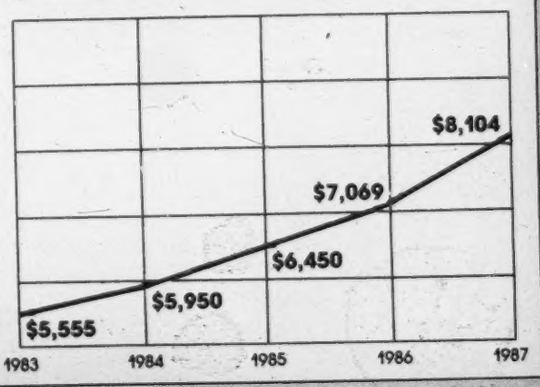
Percent of Supermarkets

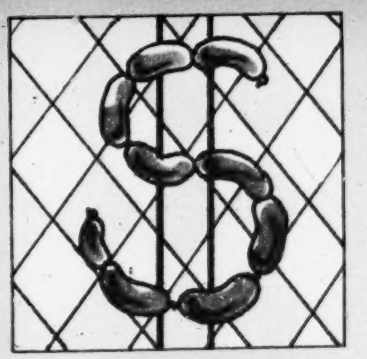


Annual Sales (billions)



Average Weekly Sales Per Service Deli





DELI/SALES, MARGINS & PRODUCT MIX

More emphasis on prepared foods, variety and convenience have helped make the always profitable deli department even more of a profit generator. The average deli now contributes about 12 percent of the total store profit.

Despite the fact that there was no change in the portion of store sales coming from the deli (3.7 percent), and a slight drop in average deli gross margins (down to 43.8 percent from 44.9 percent in 1986), the percent of store profits generated by delis increased to 11.9 percent from 9.3 percent the previous year. Sales increases helped to fuel the increase in profitability of the department, with 85 percent of deli operators indicating increased sales for their departments; the average reported increase was 12.4 percent.

Prepared foods are on the increase in service delis. Many operators report adding items such as pizza, soup, pre-packaged salads and refrigerated entrees to their deli menus. Almost a third of all deli sales (29 percent) now come from these and other prepared foods.

Average Weekly Sales

Mean **$8,104** Median **$7,350**

By Store Format

Conventional	**$6,517**
Super Store	**$12,700**
Superwarehouse	**$12,827**

Change in Dollar Sales
(1987 vs. 1986)

Higher	**85%**
No change	**2**
Lower	**13**
Total	**100%**
Average reported increase	**12.4%**

Share of Total Store Sales

Mean **3.7%** Median **3.5%**

By Store Format

Conventional	**4.17%**
Super Store	**3.22**
Superwarehouse	**2.68**

Contribution to Store Profits

Mean **11.9%** Median **13.1%**

Percent of Store Profits

Less than 5.0%	**6%**
5.0–7.9	**18**
8.0–9.9	**26**
10.0–11.9	**29**
12.0 or more	**21**
Total	**100%**

Do You Consider Your Delis

Image/traffic builders	**6%**
Profit centers	**10**
Both	**84**
Total	**100%**

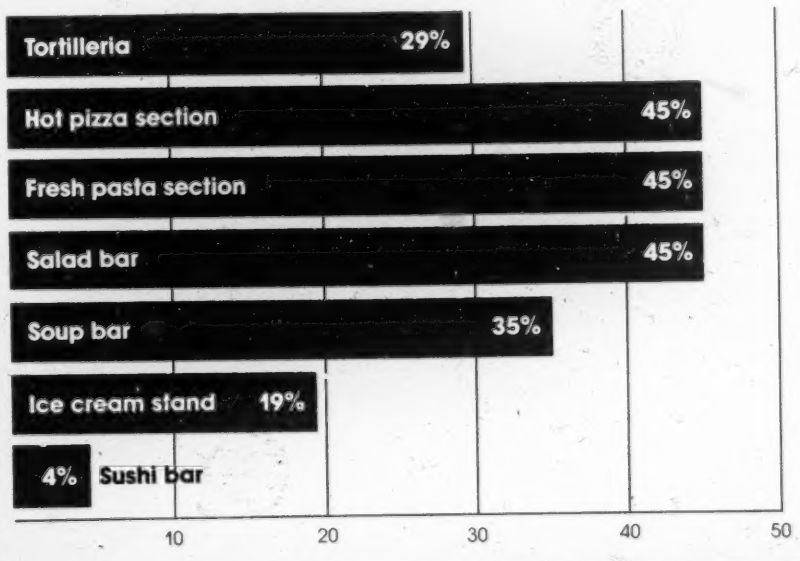
Gross Margin

Mean	**43.8%**
Median	**40.6%**
Less than 35%	**8%**
35–39	**17**
40–44	**42**
45–49	**28**
50 or more	**5**
Total	**100%**

Service Deli Items/ Lines Most Frequently Added or Increased

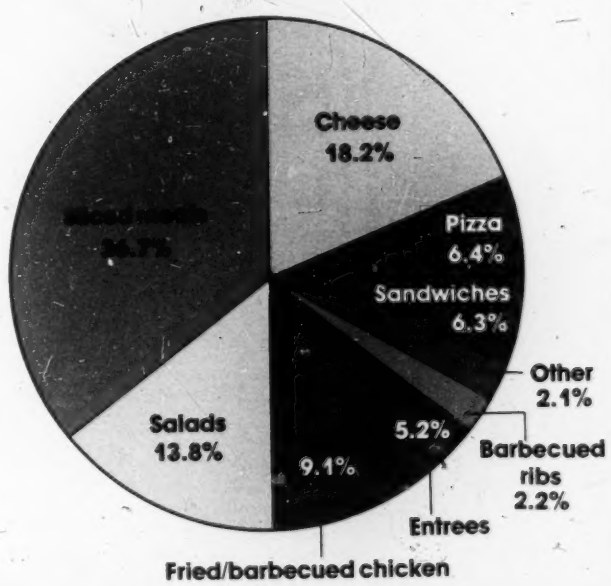
—Pizza
—Refrigerated entrees
—Salads (pre-packed, specialty)
—Soup
—Sandwiches

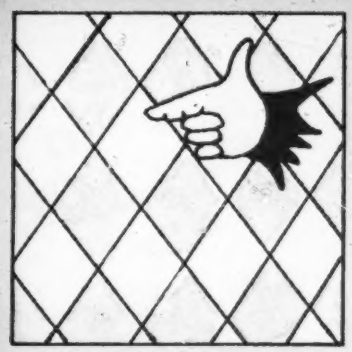
Percent of Companies Offering Each Type of Product Section as Part of Service Deli



Portioning Out the Service Deli Sales Dollar

Share of Sales





DELI/SPACE, LOCATION & EQUIPMENT

Expanded product lines involving more preparation have necessitated the physical expansion of service deli departments. Alternatives to traditional deli cases still remain popular for many new units, as department designers seek cases that will elegantly display their products, while at the same time providing them with the proper temperature conditions.

Delis not only carry more variety in their product mix, but also prepare more of it on premises. The typical deli must now have sufficient room for prepartion equipment (of which most delis have a wide range), work space, an increased array of packaging supplies and display cases (which now are usually a mixture of refrigerated, heated, service and self-service).

In order to accommodate all these elements the average deli now occupies 1,225 sq. ft., which usually represents 3.7 percent of store space. In larger stores, such as many super stores and superwarehouse stores, the average deli can measure upwards of 2,300 sq. ft. The increased floor space has meant a slight decrease in the sales per sq. ft. of the department, which were $6.61 last year compared with $6.73 the year before.

Sixty-four percent of operators prefer to have the deli first in the store's traffic pattern. The reason is convenience, especially in getting shoppers who have come in for prepared foods on the their way home from work in and out fast.

Size of Department

Square Feet of Space

Mean	1,225 Square Feet
Median	1,150 Square Feet

By Store Format

Conventional	975 Sq. Ft.
Super Store	2,000 Sq. Ft.
Superwarehouse	1,950 Sq. Ft.

Share of Total Store Space

Mean	3.7%
Median	3.3%

By Store Format

Conventional	3.8%
Super Store	4.5
Superwarehouse	2.9

The Delibake Concept

Stores Combining Delis and Bakeries into a Joint Delibake Department

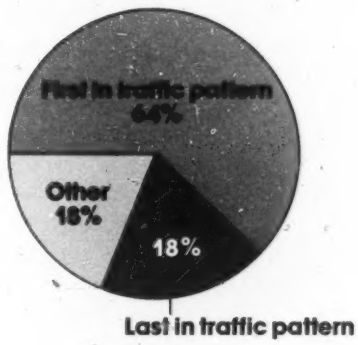
Joint delibake	32%
Separate departments	68
Total	100%

Popularity of Display Case Styles

Percent Likely to Use in Upcoming Installations

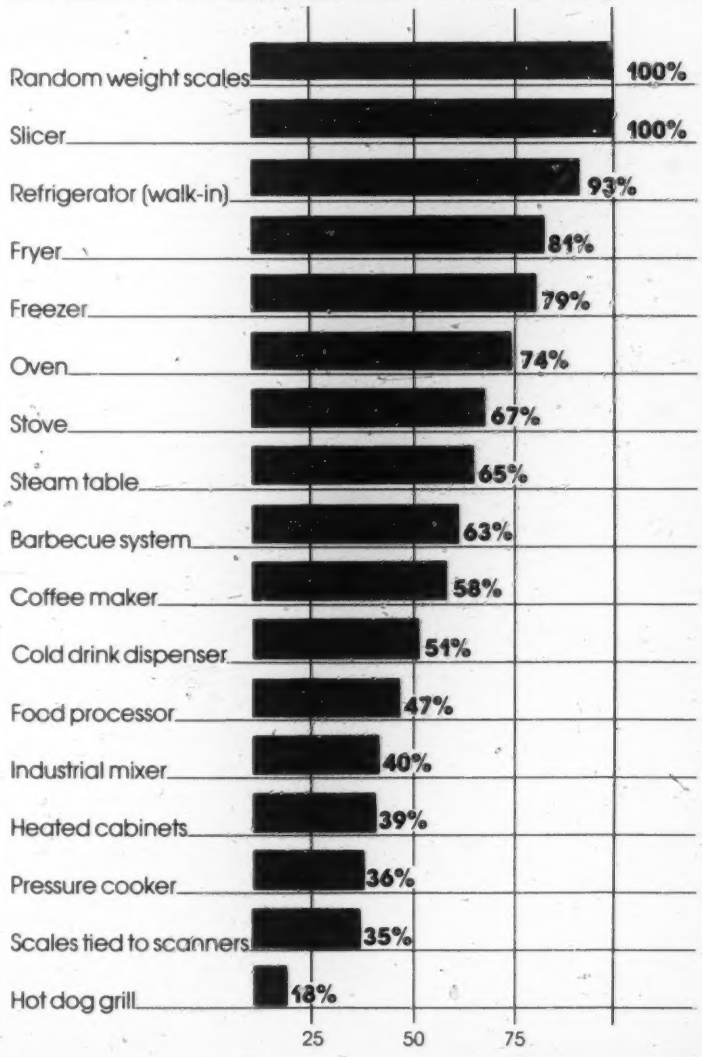
European-style cases	62%
Traditional cases	31
Both	7
Total	100%

Preferred Location for Service Deli



The Well-Equipped Service Deli

Percent Stores That Have



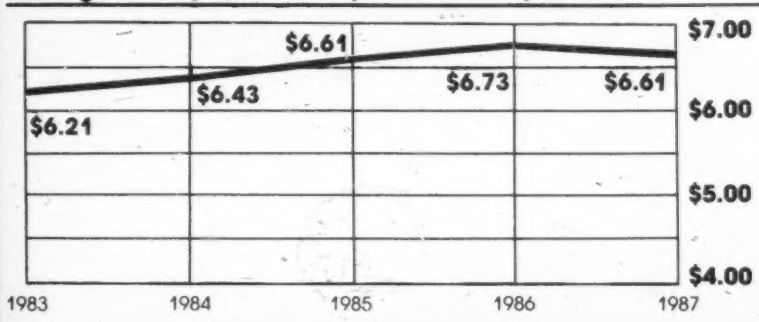
Average Weekly Sales Per Square Foot of Space

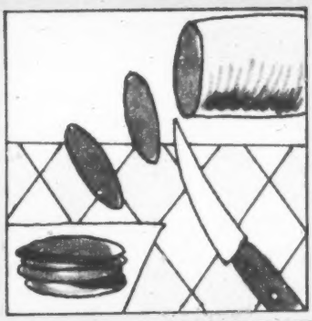
Mean	$6.61

By Store Format

Conventional	$6.68
Super Store	6.35
Superwarehouse	6.58

Average Weekly Sales Per Square Foot of Space





DELI/LABOR & SERVICE

Despite the addition of an extra employee to the average deli workforce, sales per employee have gone up. The average deli employee rings up almost $1,200 in sales each week, far more than the $1,087 of just one year ago.

What an idyllic equation it is—add more employees (delis now have an average of 6.8 full-time equivalent employees), and get higher weekly sales per employee (up to $1,191). In most instances when you add more employees, sales per employee will decrease, but service delis with the huge sales increases in 1987 were able to turn the equation to their favor. One factor is the traditionally lower labor cost/sales ratio that the deli enjoys, especially when compared to other service departments (only 23.9 percent for deli).

More and more deli departments are offering special services and prepared food product lines, helping to bring to these departments the image of a full-service food center. Various forms of catering, such as party platters, seem to be the way of the future for many deli units as their prepared food offerings become more sophisticated and varied.

Number of Employees

Full-time	3.2
Part-time	7.2
Full-time Equivalent*	6.8

Full-Time Equivalent Employees

Fewer than 3	8%
3–4	19
5–6	27
7–9	27
10 or more	19
Total	100%

*two part-time = one full-time employee

How Much for Labor

(Labor as a Percent of Service Deli Sales)

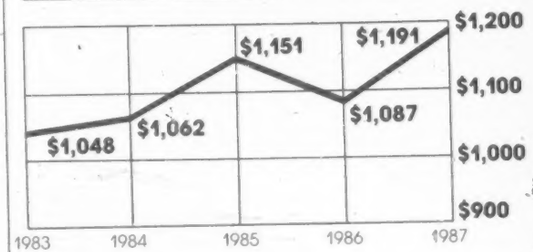
Mean	23.9%
Median	23.0%
10–15%	8%
16–20	28
21–25	38
26–30	18
Over 30	8
Total	100%

Average Weekly Sales Per Employee*

Mean	$1,191
$750 or less	7%
$751–$1,000	23
$1,001–$1,500	42
$1,501–$2,000	21
Over $2,000	7
Total	100%

*Full-time equivalent employees

Average Weekly Sales Per Employee



Special Area for Consuming Foods/Drink From Deli On Premises

Percent of Stores Offering

Have facilities	32%
No facilities	68
Total	100%

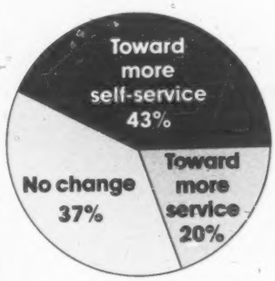
Time for Prep and Service

Breakdown of Labor Hours

Customer service	67%
Other (incl. prep)	33
Total	100%

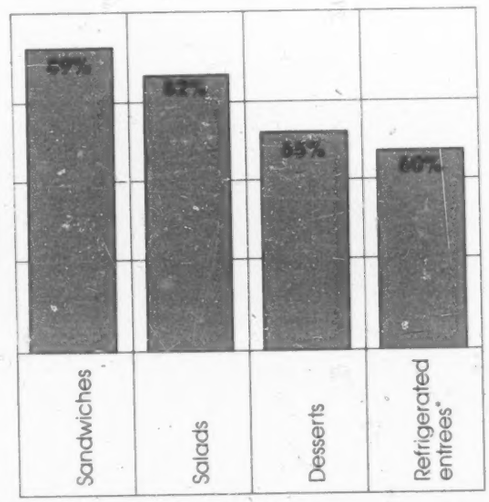
Trends in Service

Direction Deli Directors Expect Their Operations to Move



Offerings of Prepackaged Products in Self-Service Cases

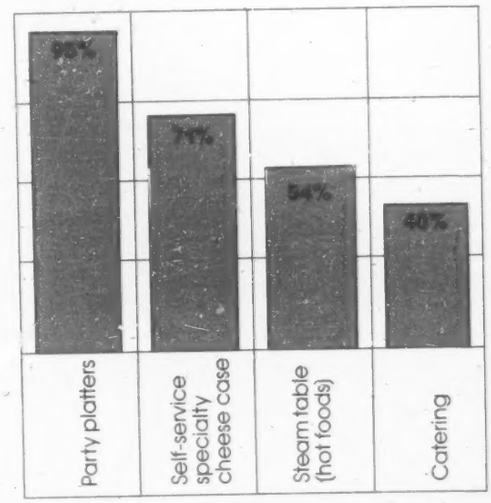
Percent of Stores Offering



*To be heated/microwaved at home

Special Services

Percent of Stores Offering



Continued from page 10A

array of cold cuts, cheese, salads, appetizers and side dishes has grown. It has grown to keep in step with consumer tastes and demands, and has in turn helped fan the growth of the deli. More variety in products, more space in the deli to prepare and display those products, and hopefully increased consumer attention and sales. This degree of variety in product lines, and individual products was once the almost exclusive turf of the specialty store, whether it be a free-standing delicatessen, cheese shop, or a smoked fish and gourmet shop. Once again, the supermarket, through the service deli, is competing with other types of retailers for the public's food dollar.

Dinner for 40?

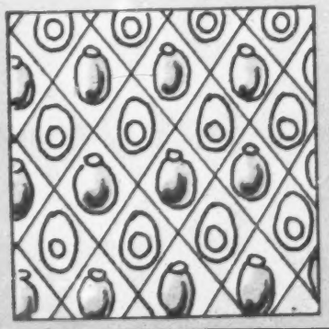
Turn to the "problem" of the intimate dinner party mentioned above. Does this sound like a ridiculous situation? Chances are that many deli managers wouldn't think so, as more and more of them are faced with similiar requests every day. About 40% of service delis offer catering services, while almost all of them, 95 percent, at least make up party platters.

These statistics are a real departure from just a few years ago when it was rare for a supermarket deli to be actively involved in catering. The service deli has really come full circle, going from a department that offered custom slicing of cheese and processed meats to a full-service prepared food center that now actively competes with catering concerns and take-out restaurants. From this, one might think that the only area of the food dollar that the service deli doesn't compete in is the full-service sit-down restaurant, but look out Denny's, many supermarkets are moving in that direction too.

Space and labor

Space has become an increasingly important commodity to the service deli. To accommodate all the cases needed to display the variety of both service and self-service products, as well as the room and equipment needed to produce the products, the deli has expanded. The average service deli now occupies 1,225 square feet, which is about one-third bigger than the 932 square feet of the average deli just five years ago. The 1987 figure represents about 3.7 percent of total store space. Since the average size has gone up so considerably, it is understandable that sales per square foot have gone down slightly in the past year, from $6.73 in 1986 to $6.61 in 1987. Compared with five years ago, sales per square foot have risen significantly. In 1982, the average sales per square foot were only $5.29, which is $1.32 less than today's figure. The increase in floor space would seem to have been a good investment given the increase in sales per square foot.

What of the people needed to prepare and sell all the deli products? The average number of employees has risen ever so slightly to 6.8 in 1987, from 6.5 the previous year. The increase, though, comes in full-time staff; there are typically just over three full-time staff members in a service deli. These increases have somewhat increased labor costs for the department, where labor now accounts for 23.9 percent of sales dollars, up from 23.0 the year before. This still contrasts favorably with the 33.3 percent of sales dollars that the instore bakery is forced to pay in labor costs (see INSTORE BUSINESS, March, 1988).



DELI/PRODUCTION & SUPPLY

The amount of products prepared from scratch instore continues to increase. For instance, 48 percent of the delis now report preparing at least some salad products themselves instore. Most delis get their products from a combination of sources, the selection of a source depends on the product, as well as the image the particular deli is trying to project.

Central commissaries seem to be waning, only 24 percent of the deli operators report having a company-operated commissary. Those that do have commissaries use them primarily for the scratch preparation of products. Since many operators prefer to prepare products instore, commissaries have little opportunity to grow in importance.

Operators indicate that the choice of a supplier for deli products, especially prepared items, is very important to the success of the image they are trying to give to their departments. Preparing items instore is often the choice, but only if the personnel and facilities necessary to produce a quality product are available.

Commissaries

Percent of Companies Having Company-Operated Commissary From Which Stores Order

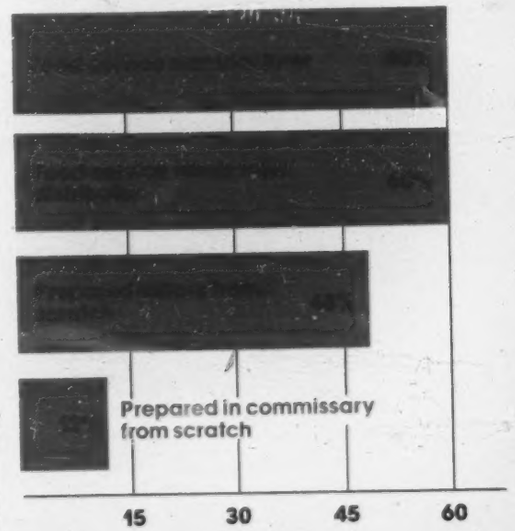
Have commissary	24%
Do not have commissary	76
Total	100%

Main Function of Commissary

Preparation from scratch ingredients	67%
Ordering from food-service suppliers	33
Total	100%

Sources of Service Deli Salads

Percent of Stores Using



Luckily, sales in the deli have increased sufficiently that the additional employees have not cut into the average weekly sales per employee figures. Last year that figure was $1,191, which was over $100 more than the 1986 figure, $1,087. One factor that may be helping keep sales dollars on the increase is that the deli employee is spending more time performing customer service chores. Retailers report that two-thirds of their deli employees' labor hours are spent on customer service, with the other third being spent on food preparation and maintenance functions.

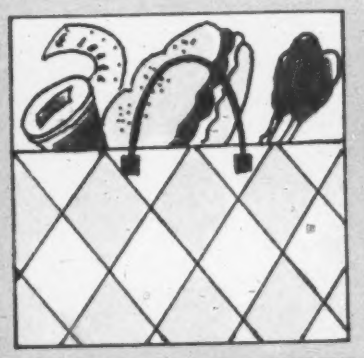
Bringing more money into the store is something any retailer loves to see, but being able to keep more of it is enough to make even the most hardened among us smile. Many retailers have smiles on their faces when they talk about their delis.

With sales comes profits

Service delis have long been profit generators. Eighty-four percent of the retailers participating in this Annual Operations Review indicated that they considered their delis to be both profit centers and image/traffic builders.

The numbers certainly bear out the profit center side of the delis. On average service delis accounted for 3.7 percent of sales in the stores where they were located, but this 3.7 percent of sales contributed 11.9 percent of the profit that those stores generated. Generating profits greater than their percentage of sales is true for a number of specialty departments, but few enjoy the sales-to-profit ratios realized by service delis. Net profits have increased at a time when gross margins for the deli have stayed on about the same level (43.8 percent on average).

Promotions and advertising have been used to try and increase the percentage of deli shoppers, and while they certainly have had an effect on deli sales in general, there has been little effect on getting more than two of every ten over to the deli. This is perhaps the delis' greatest challenge in the year to come. Their success or failure will be reported when INSTORE BUSINESS next reviews the service deli industry with its Seventh Annual Operations Report on Service Delis. ▣



DELI/MERCHANDISING & CUSTOMERS

Wanted: Store Customers to Shop Deli Department—No Experience Necessary!

Getting the majority of store shoppers to stop at the deli and purchase something is still a real problem for operators. With fewer than one out of five people shopping the deli, and an average transaction of $3.27, deli merchandisers have increased promotions to try to draw more customers.

Despite receiving ad space that is proportionally equal to their percentage of store sales, the deli has trouble increasing its share of store customers. Promotions utilize all types of print and point-of-purchase materials, as well as sampling as a way of getting the deli's message across. This inability to attract a larger percent of store customers to the deli is particularly frustrating given the large profits the department generates. Increasingly, deli operators are looking to suppliers for more promotional help, especially in the areas of instore demonstrations, and ad allowances.

How Customers Spend

Percent Who Shop the Deli	
Mean **18.9%**	Median **16.0%**

How Much They Spend	
Under $2.00	7%
$2.00–$2.99	32
$3.00–$3.99	29
$4.00–$5.99	20
$6.00 or more	12
Total	100%

Advertising and Promotion Sell Service Deli

	Percent Using
Sampling	97%
Newspapers	89
Point-of-purchase	88
Circulars	77
Radio	42
Television	28

Delis' Share of Ad Space Compared to Share of Sales

Greater	25%
Less	29
Equal	46
Total	100%

How Retailers Rate the Promotion and Advertising Help from Deli Suppliers

Excellent	12%
Good	30
Fair	44
Poor	14
Total	100%

Where Retailers Need More or Better Quality Help from Deli Suppliers

	Companies Wanting More Help	Companies Wanting Better Help
Instore demos	82%	60%
Point-of-purchase materials	56%	38%
Deli coupons	47%	33%
Ad allowances	89%	44%

SAMI UPDATE

1988 Gets Off to Mixed Start in HBA Department

Seven product groups racked up gains in January, despite poorer performance of cold and flu products.

BY ALAN MILLER JR.

During the four weeks ending Jan. 29, 1988, unit sales of the 52 health and beauty aids (HBA) categories tracked by SAMI/Burke moved ahead of last year's pace 2.9 percent, while dollars were gaining 6.3 percent.

During this 28-day reporting period, the performance of HBA items was surpassed only by refrigerated foods (up 4.7 percent) on a tonnage basis and by frozen foods (up 6.9 percent) on a dollar basis. It is reassuring to see that the 1988 gain is on top of a 2.5 percent increase in the kickoff period in 1987. Dry grocery-nonfood categories were only able to realize a unit volume increase of 0.2 percent. Frozen food sales, measured in pounds, advanced 2.5 percent, while sales of shelf-stable foods, measured in pounds, was up 1.6 percent versus a year ago.

Unit volume for all departments combined—475 categories in all—was up 1.5 percent and dollar volume was up 3.7 percent versus a year ago.

Product group gains in the HBA section ranged from a high of 11.8 percent for skin care to a low of just half a percent in the case of shaving needs. The one loss among product groups befell proprietary remedies for coughs and colds. Only the cold remedies category was in the black and just barely (up 0.5 percent).

The ratio of gains to losses at the category level of measurement was strongly in favor of plusses to the tune of 34 gains and only 18 categories with four-week unit volume declines. There were six categories with gain rates in excess of 20 percent, topped by suntan lotion (up 56.2 percent), albeit in a weak seasonal sales period. Appetite suppressants gained 4.4 percent over last year's depressed volume level and the low-volume feminine hygiene deodorant category enjoyed growth amounting to 28.2 percent.

There were five product categories with double-digit loss rates, including infant clothes (down 14.3 percent), cream deodorants (down 13.9 percent) and cough remedies (down 10.8 percent).

Behind baby products' decline

The baby needs product group contains two categories with continuing sales weakness—baby powders and infant clothes, both of which show a loss rate for the four-week, the twelve-week and the fifty-two week period. Both of these downtrends may be related to continuing improvements in the effectiveness and appearance of disposable diapers, which may lessen the need for baby powders and certain items of infant clothing.

The strong category in baby needs is baby oils, creams and lotions, which had a four-week upsurge of 20.5 percent, the highest growth rate since the period ending Nov. 7, 1987. Much of the growth can be attributed to the success of Mennen's Baby Magic Rich N' Creamy, and an upsurge in the volume of several Johnson & Johnson items. Sales of nursing supplies advanced 1.6 percent and the product group as a whole moved forward 6.3 percent for the four-weeks, as contrasted with a gain rate of only 0.7 percent on a full-year basis.

There were only two personal deodorant categories exhibiting negative sales trends, sprays (down 3.8 percent) and creams (down 13.9 percent). There was an increase of 28.2 percent in the four-week unit movement of feminine hygiene deodorants, almost entirely attributable to the near-national roll-out of Massengill Towelettes. The second highest gains in this product group were recorded by deodorants and talcum powders (up 10.0 percent) and stick deodorants and pads (up 9.9 percent). This latter category now accounts for more than twice the unit volume of spray deodorants, which not too long ago were ranked first as the leading form of deodorant.

Gains in excess of five percent were also registered in the feminine douches/washes and foot deodorant or athlete's foot remedies categories, which advanced 9.1 percent and 5.8 percent respectively. Roll-on deodorants were ahead 4.1 percent for the four weeks, an improvement over the 1.3 percent loss rate on a 52-week basis.

The two SAMI/Burke first aid categories gained ground in virtually equal proportions. Antiseptics were 3.4 percent higher and first aid products were 3.3 percent stronger.

Of the seven hair care needs categories, there were five with plusses and two with minus volume. The product group total

SAMI UPDATE

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 12/4/87	4 WEEKS ENDING 1/1/88	4 WEEKS ENDING 1/29/88
BABY NEEDS			
Baby Powders	−12.1	−10.5	−10.3
Baby Oils, Creams & Lotions	+11.5	+11.7	+20.5
Infant Clothes	−23.3	−18.8	−14.3
Nursing Supplies	+ 1.7	+ 0.7	+ 1.6
DEODORANTS			
Sprays	− 8.7	− 0.1	− 3.8
Roll-Ons	+ 1.4	− 1.7	+ 4.1
Stick Deodorants & Pads	+ 7.6	+12.0	+ 9.9
Creams	−13.5	−10.9	−13.9
Deodorants & Talcum Powders	+22.6	+12.3	+10.0
Feminine Hygiene Deodorants	+ 5.4	+ 6.3	+28.2
Foot Deodorants & Athlete's Foot Remedies	+11.3	+11.6	+ 5.8
Feminine Douches	+ 6.1	+ 6.0	+ 9.1
FIRST AID			
Antiseptics	+ 8.3	+ 5.6	+ 3.4
First Aid Products	+ 5.9	+ 6.3	+ 3.3
HAIR CARE NEEDS			
Shampoos	0.0	− 2.3	+ 0.9
Hair Sprays	+18.7	+18.3	+28.2
Hair Conditioning Rinses	+ 7.5	+ 1.4	+ 3.6
Hair Setting Needs	+ 7.8	+ 7.8	+13.7
Home Permanent Kits	+ 0.1	− 5.5	− 8.9
Hair Coloring	+ 5.3	+ 2.2	+ 3.0
Hair Dressing Needs	− 1.6	− 4.4	− 5.1
ORAL HYGIENE			
Toothpastes & Powders	+ 2.5	+ 5.2	+ 0.1
Mouthwashes	+25.0	+20.8	+11.2
Breath Fresheners	+ 3.2	− 6.1	− 2.6
Denture Cleaners	− 2.9	0.0	− 7.8
Denture Adhesives	− 0.5	+ 2.3	− 0.5
Toothbrushes	− 1.9	− 2.0	− 1.7
Dental Aids	+12.1	+ 6.6	− 2.6
PROPRIETARY REMEDIES			
Antacids	+ 2.7	+ 1.2	+ 3.6
Internal Analgesics	− 1.8	− 3.5	+ 0.8
External Analgesics	+ 1.4	− 0.7	− 2.0
Cold Remedies	+ 1.8	+ 2.3	+ 0.5
Nasal Sprays—Drops—Inhalers	+ 5.3	− 3.4	− 5.0
Chest Rubs	− 2.7	−14.4	−11.5
Cough Remedies	− 3.1	− 6.2	−10.8
Laxatives	+ 5.3	+ 3.9	+ 1.5
Sleeping Aids	+19.9	+16.4	+13.4
Tranquilizers	+ 2.5	− 0.2	+ 4.1
Synthetic Vitamins	+ 5.0	+ 2.8	+13.5
Eye Care Products	+16.0	+18.5	+31.1
Appetite Suppressants	+10.0	+14.8	+ 4.4
SHAVING NEEDS			
Shaving Creams	+ 9.3	+ 3.6	+ 8.9
Pre-Shave Lotions	+ 3.6	+ 3.2	+ 4.9
After-Shave Lotions	+ 3.1	− 0.8	+ 7.4
Razor Blades	+ 3.0	− 5.7	− 3.5
Razors & Blades	+ 0.1	− 4.6	− 6.0
SKIN CARE AIDS			
Hand & Body Creams & Lotions	+13.2	+10.1	+20.6
Facial Preparations	− 4.3	− 5.4	+ 1.5
Lip Care Products	− 4.4	− 3.5	+ 8.0
Suntan Lotions & Oils	−21.4	+13.2	+56.2
Cosmetic & Medicated Skin Aids	+ 5.1	+ 5.5	+ 4.1
TOTAL ALL CATEGORIES			

was ahead 7.9 percent, primarily because of the continuing sales vitality in the hair sprays category, which is now expanding as a result of the spritz products from leading manufacturers.

The four-week category gain rate was 28.2 percent, significantly higher than the 18.3 percent growth on an annual basis. Shampoo sales inched forward 0.9 percent, while hair conditioning rinses did better with a gain of 3.6 percent. Both of these categories are in the gain column for the full year.

Hair setting needs advanced 13.7 percent, but this year the gains in this category came from hair sets other than mousse products, particularly those in gel form. There were losses of 8.9 percent and 5.1 percent for home permanent kits and hair dressing needs, both of which show negative trends on a 52-week basis as well.

Sales of oral hygiene products, in total, are doing slightly better than they were a year ago, in spite of the fact that five of the seven categories have loss rates and in the highest volume category, toothpaste and powder, the improvement was only one-tenth of a percent. The growth was provided by mouthwash sales increases as a continuing result of steady volume gains for the plaque inhibitors and the new flavor of Scope.

The new product proliferation among toothpaste brands, particularly the new entries from Lever Bros. and products for kids caused some churning in the category, but not enough to increase the overall volume very much—the highest loss rate was a 7.8 percent four-week dip in the sales of denture cleaners. There were losses of 2.6 percent for both breath fresheners and dental aids.

The most serious downward trends among the 14 categories of proprietary remedies are focused upon the cold and flu products, which were up against an unusually strong peak a year ago. There were losses of 5.0 percent for nasal spray drop-inhalers, 11.5 percent for chest rubs and 10.8 percent for cough remedies. Volume for cold remedies inched up 0.5 percent and internal analgesics, often used for respiratory distress, had a gain of under one percent. New Stay Trim was largely responsible for a 4.4 percent increase among appetite suppressants, while strength for Sominex, in particular, was behind the 13.4 percent growth rate for sleeping aids.

Eye care products continue to show sales vitality as food stores become more popular as an outlet for these products. Sales of synthetic vitamins were up 13.5 percent, but volume among natural vitamins, minerals and supplements incurred a loss rate amounting to half a percent.

Shaving needs in the black

Three of the five categories of shaving needs were in the black, but there is continued lackluster performance in the high-volume razor blades category as a result of a dearth of important new products. Sales were also down in the razors and blades category (down 6.0 percent).

There was good growth for shaving creams (up 8.9 percent) after-shave lotions (up 7.4 percent) and pre-shave lotions (up 4.9 percent). In each of these three instances, the four-week trend was stronger than both the 12-week or 52-week spans.

Finally, there was a resurgence in volume for all of the five categories of skin care aids, even facial preparations, which have been languishing for many months.

The standout performance was found in hand and body cream/lotions category, which grew 20.6 percent. Three brands experienced gains in the four-week period, which helped the category to expand: Vaseline Intensive Care, Suave and Jergens Vitamin E. The growth rate of 56.2 percent for suntan lotions does not translate into many sales dollars during the month of January. Lip care products, which had suffered a sales relapse in December, moved forward 8.0 percent in the most recent reporting period. Sales of cosmetic and medicated skin aids managed an increase of 4.1 percent, less than the growth of 4.8 percent for the 12 weeks and 9.8 percent for the year, but still higher than the gain rate for all HBA categories combined.

The product group as a whole moved upward 11.8 percent, largely influenced by the one and a half million four-week unit sales increase in the aforementioned hand and body cream category. ■